



Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, SEPTEMBER 30, 1997

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**FOUR ROCHESTER AREA UTILITY CONSTRUCTION COMPANIES AND
THEIR EXECUTIVES INDICTED IN BID RIGGING CONSPIRACY**

WASHINGTON, D.C. -- Four New York utility construction companies and their executives were indicted today for conspiring to rig bids and allocate contracts on utility construction work to be performed for Rochester Gas & Electric (RG&E), said the Department of Justice.

The one-count felony indictment filed today in U.S. District Court in Rochester charges the four companies--R.P. Myers Inc. of Rochester, and its president Richard P. Myers; R.C. Siebert Inc. of Rochester, and its vice president Robert G. Hooper; C.P. Ward Inc. of Scottsville, NY, and its president Richard A. Ash; and Xerxes Utilities Contractors Inc. of Farmington, NY, and its executive vice president Michael Ciranni--with conspiring to allocate jobs and rig bids on contracts for utility construction work from as early as 1987 until at least May 1993.

Utility construction involves, but is not limited to, the underground installation, repair and maintenance of facilities, such as gas pipe and electrical conduit, for the transmission of utilities, such as gas and electricity, to customers.

According to the charges, the four utility construction companies and their executives conspired with others to allocate

and rig bids on contracts for utility construction awarded by RG&E. The defendants carried out the conspiracy by discussing amongst themselves the allocation and prospective prices to be bid on contracts, agreeing on a designated winner and prospective prices, and receiving payments from RG&E for performance of utility construction contracts that were awarded on the basis of collusive and rigged bids.

Joel I. Klein, Assistant Attorney General in charge of the Antitrust Division, said the charges resulted from a grand jury investigation into collusive practices by utility construction contractors in western New York.

In July of this year, Thomas J. Abraham, the former director and manager of Joseph A. Abraham Enterprises Inc. of Rochester, pled guilty to an identical charge, and is cooperating with the investigation pursuant to a plea agreement with the government. Abraham is scheduled to be sentenced on October 17, 1997.

The investigation was conducted by the Antitrust Division's New York Field Office, with the assistance of the Rochester Office of the Federal Bureau of Investigation and the U.S. Attorney's Office for the Western District of New York in Rochester.

The maximum penalty for a corporation convicted of a violation of the Sherman Act is a fine of \$10 million, twice the pecuniary gain the corporation derived from the crime, or twice the pecuniary loss suffered by the victims of the crime, whichever is greater.

The maximum penalty for an individual convicted of a violation of the Sherman Act is a term of imprisonment of up to three years, or a fine not to exceed the greatest of \$350,000 or twice the pecuniary gain the individual derived from the crime, or twice the pecuniary loss suffered by the victims of the crime.

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